

REFERENCE TITLE: vehicles; nonresident purchasers; tax liability

State of Arizona  
House of Representatives  
Forty-eighth Legislature  
Second Regular Session  
2008

## **HB 2732**

Introduced by  
Representative Biggs

AN ACT

AMENDING SECTION 28-2154.01, ARIZONA REVISED STATUTES; RELATING TO VEHICLE REGISTRATION REQUIREMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 28-2154.01, Arizona Revised Statutes, is amended to  
3 read:

4       28-2154.01. Special ninety day nonresident registration  
5       permits: procedures: department of revenue  
6       actions

7       A. A dealer or an authorized third party that issues a special ninety  
8 day nonresident registration permit pursuant to section 28-2154 shall send an  
9 electronic record of the permit to the department through an authorized third  
10 party or through the department's authorized third party electronic service  
11 provider.

12       B. The department, an authorized third party or a dealer shall not:

13           1. Issue, assign or deliver a special ninety day nonresident  
14 registration permit to any person ~~other than a bona fide purchaser or~~  
~~authorized representative of a bona fide purchaser of a vehicle who is not a~~  
~~resident as defined in section 28-2001 UNLESS THE PERSON DOES ALL OF THE~~  
16 ~~FOLLOWING:~~

17           (a) OBTAINS THE SPECIAL NINETY DAY NONRESIDENT REGISTRATION PERMIT  
18 PURSUANT TO SECTION 28-2154.

19           (b) COMPLETES AN AFFIDAVIT IN A FORM PRESCRIBED BY THE DIRECTOR  
20 PURSUANT TO SECTION 28-2154.

21           (c) PRESENTS TO THE DEPARTMENT, AUTHORIZED THIRD PARTY OR MOTOR  
22 VEHICLE DEALER A CURRENTLY VALID DRIVER LICENSE ISSUED BY ANOTHER STATE.

23           2. Issue a special ninety day nonresident registration permit unless  
24 the purchaser files an affidavit as prescribed in section 28-2154 and ~~THE~~  
25 ~~PURCHASER~~ provides any other information ~~REASONABLY AND UNIFORMLY~~ required ~~ON~~  
26 ~~THE AFFIDAVIT~~ by the department of transportation or the department of  
27 revenue.

28           3. Issue and affix, as prescribed in subsection C of this section, a  
29 special ninety day nonresident registration permit unless the permit is  
30 recorded in the electronic records of the department.

31       C. A person who issues a special ninety day nonresident registration  
32 permit shall affix or insert, clearly and indelibly, on the face of each  
33 permit the dates of issuance and expiration and the make and vehicle  
34 identification number of the vehicle. The special ninety day nonresident  
35 registration permit shall not bear the name or address of the person who  
36 purchased the vehicle in a position that is legible from outside of the  
37 vehicle.

38       D. A dealer or authorized third party who issues a special ninety day  
39 nonresident registration permit shall maintain a record, in a form prescribed  
40 by the director, of all special ninety day nonresident registration permits  
41 issued by the dealer or authorized third party and a record of other  
42 information pertaining to the issuance of special ninety day nonresident  
43 registration permits that the department of transportation or the department  
44 of revenue requires.

1       E. The dealer or authorized third party shall keep each record for at  
2 least three years after the date of entry of the record.

3       F. A dealer or authorized third party shall allow the director of the  
4 department of transportation or the director of the department of revenue  
5 full and free access to the records during regular business hours.

6       G. The electronic record is written notice of the removal of the  
7 vehicle from this state for use in the purchaser's state of residence and  
8 relieves the dealer or authorized third party of liability in accordance with  
9 section 42-5009.

10     H. If a purchaser registers the vehicle in this state within three  
11 hundred sixty-five days after the issuance of the special ninety day  
12 nonresident registration permit, the purchaser is liable in an amount equal  
13 to any tax, penalty and interest that the motor vehicle dealer or authorized  
14 third party would have been required to pay under title 42, chapter 5. At  
15 the time of issuing the special ninety day nonresident registration permit, a  
16 motor vehicle dealer or authorized third party shall inform the purchaser **IN**  
**WRITING** of the **PURCHASER'S TAX** liability described in this section.  
**SUBSEQUENT REGISTRATION OR USE OF THE VEHICLE IN THIS STATE DOES NOT CREATE A**  
**CAUSE OF ACTION AGAINST A DEALER OR AUTHORIZED THIRD PARTY THAT COMPLIES WITH**  
**SECTION 28-2154, SUBSECTION A AND THIS SECTION.**

21     I. The department of transportation and the department of revenue  
22 shall jointly develop and prescribe forms for the motor vehicle dealer, the  
23 authorized third party and the purchaser to complete for the proper  
24 administration and enforcement of this section.

25     J. **THE DEPARTMENT OF REVENUE SHALL NOT BEGIN AN ACTION AND SHALL CEASE**  
26 **ANY EXISTING ACTIONS INVOLVING A DEALER OR AUTHORIZED THIRD PARTY IF THE**  
27 **DEALER OR AUTHORIZED THIRD PARTY PRESENTS SATISFACTORY EVIDENCE OF COMPLIANCE**  
28 **WITH THE REQUIREMENTS OF SECTIONS 28-2154 AND THIS SECTION.**

29     ~~J.~~ K. Compliance with this section and section 28-2154 allows  
30 delivery of the vehicle to a nonresident purchaser in this state, **RELIEVES**  
31 **THE DEALER OR AUTHORIZED THIRD PARTY OF TAX LIABILITY FOR THE SALE OF THE**  
32 **VEHICLE TO A NONRESIDENT PURCHASER** and retains the applicable exemptions  
33 pursuant to section 42-5061, subsection A, **paragraph PARAGRAPHS 14 AND 28 AND**  
34 **SECTION 42-6004, SUBSECTION A, PARAGRAPH 4.**

35     Sec. 2. **Retroactivity**

36     Section 28-2154.01, Arizona Revised Statutes, as amended by this act,  
37 applies retroactively to August 25, 2004.